

**REPORT OF THE AUDITOR OF PUBLIC ACCOUNTS  
AGREED-UPON PROCEDURES ENGAGEMENT  
OF THE  
BELL COUNTY  
PROPERTY VALUATION ADMINISTRATOR**

**For The Period July 1, 2004  
Through June 30, 2005**



**CRIT LUALLEN  
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AUDITOR OF PUBLIC ACCOUNTS

Independent Accountant's Report

John R. Farris, Secretary, Finance and Administration Cabinet  
The Honorable Geraldine Jeffers  
Bell County Property Valuation Administrator  
Pineville, Kentucky 40977

We have performed the procedures enumerated below, which were agreed to by the Bell County Property Valuation Administrator (PVA), solely to assist you with the accountability for statutory contribution receipts and disbursements, including capital outlay disbursements, city government receipts, recordkeeping, and leases and contracts for the period July 1, 2004 through June 30, 2005. This engagement to apply agreed-upon procedures was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the Bell County PVA. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

1. Procedure -

Determine if the PVA has a receipts ledger, a disbursements ledger, and reconciles bank records to books each month. Re-perform the year-end bank reconciliation (June 30, 2005), to determine if amounts are accurate.

Finding -

Auditor determined that the PVA has a disbursements ledger and appears to reconcile bank records to books each month. However, PVA does not keep a receipts ledger. Year-end bank reconciliation (June 30, 2005) was re-performed and amounts appear to be accurate. We recommend that the PVA maintain a receipts ledger. We also recommend that the PVA prepare a reconciliation sheet to document that each month bank records are reconciled to book records.

*PVA's Response -*

*PVA was not aware until recently of the receipts and disbursement ledger and this is now being used. PVA will begin reconciling bank statements on back of monthly bank statements as recommended.*



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2. Procedure -

Compare recorded city receipts to confirmed payment amounts obtained from city governments. Also review the list of city receipts for completeness.

Finding -

Auditor confirmed that recorded city receipts were complete and agreed to the amount paid from city governments.

3. Procedure -

Compare the budgeted statutory contribution by fiscal court to the legally required amounts calculated by the Department of Revenue. Trace the fiscal court payments from the fiscal court statutory contribution budget account to the PVA's local bank account.

Finding -

Budgeted statutory contribution by fiscal court agreed to the legally required amount calculated by the Department of Revenue and were traced to the PVA's local bank account. However, the last payment of \$5,543.75 was not deposited until 21 days after date on check, which was after the next fiscal year had begun.

*PVA's Response -*

*PVA agrees with statement and not sure how it happened.*

4. Procedure -

Judgmentally select 15 disbursements from PVA records and agree amounts to cancelled checks, paid invoices or other supporting documentation. Determine if the expenditure is for official business. Review all credit card statements (if any) to determine if expenditures are for official business.

Finding -

The fifteen disbursements from PVA records agreed to the cancelled checks, paid invoices or other supporting documentation and appear to be for official business. The PVA does not have a credit card at this time.

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5. Procedure -

Compare capital outlay disbursements with cancelled checks, supporting documentation, and proper purchasing procedures. Verify the location of newly acquired assets. Determine if assets were added to the PVA's Capital Asset Inventory List.

Finding -

Capital outlay disbursement listed on approved budget was compared with cancelled checks, supporting documentation and proper purchasing procedures. Auditor verified the location of the newly acquired asset. Asset value did not exceed \$5,000 and therefore was not added to the Capital Asset Inventory List.

6. Procedure -

Scan vehicle lease agreements, personal service contracts, and professional service contracts for cost schedules and compare to actual payments. Determine if services received were appropriate, for official business, and properly authorized.

Finding -

Auditor scanned service agreements for cost schedules and compared to actual payments. Services rendered appear to be appropriate, for official business and properly authorized.

7. Procedure -

Compare PVA's final budget to actual expenditures to determine if PVA overspent in any account series.

Finding -

Auditor compared the PVA's final budget to actual expenses and determined that the PVA overspent in one account series. We recommend the PVA amend the approved budget when expenditures in an account series exceed the budgeted amount.

*PVA's Response -*

*PVA agrees to recommendation.*

8. Procedure -

Determine whether collateral is necessary for the PVA's funds. If necessary determine if the PVA was sufficiently collateralized for the year and if a collateral agreement exists.

Finding -

It was determined that collateral is not necessary for the PVA's funds since the highest daily balance did not exceed the FDIC limitation.

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Bell County Property Valuation Administrator  
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9. Procedure -

Determine whether timesheets are completed, maintained, and support hours worked.

Finding -

It was determined that attendance records are completed, maintained and submitted to the Revenue Cabinet bi-weekly. However, the PVA does not keep daily timesheets. We recommend the PVA require all employees to maintain timesheets. These timesheets should be prepared and signed by the employee and reviewed, approved, and signed by their supervisor before being submitted for payroll processing.

*PVA's Response -*

*PVA was not aware of keeping timesheets signed by employees, but has already remedied this situation.*

We were not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on the receipts and disbursements, including capital outlay disbursements, city government receipts, recordkeeping, and leases and contracts. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the PVA and the Department of Revenue and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Crit Luallen", with a stylized flourish at the end.

Crit Luallen  
Auditor of Public Accounts

Engagement fieldwork completed -  
April 4, 2006

